



Special Commission on Provider Price Reform

Principles for Provider Price Reform Adopted 8-15-11

1. The data needed to understand provider prices, the variation in prices, and the underlying factors influencing prices should be made available to support on-going provider price reform and monitoring.
2. Factors which account for variation in provider prices should be analyzed using sound methodological tools. Public discussion regarding interpretations of such analyses should be promoted.
3. Provider prices may vary.
4. Prices and any factors for variation should be transparent and communicated in a manner easily understood by consumers and purchasers.
5. When market processes result in prices that contribute to increasing health care spending, state government should take appropriate steps that will address the unjustified variation in provider prices.
6. Unjustified variation in provider prices should be adjusted responsibly, and changes should be continually evaluated for intended and unintended consequences.
7. Any strategy to reduce the variation in provider prices must result in containing health care costs, and maintaining or improving quality and access.
8. Strategies to reduce the variation in provider prices must take into account current and any future payment methodologies.
9. Any strategy to reduce the variation in provider prices for a particular cohort of providers should consider all Massachusetts providers within that group.